

## **BUSINESS TO BUSINESS MARKETING STRATEGIES FOR FRESH ORANGE JUICE XYZ PRODUCTS**

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### **ABSTRACT**

*This study discussed the marketing strategies. The purpose of this research was to investigate marketing strategies for suitable B2B (business to business) market segments in XYZ fresh fruit juice company. Using a qualitative approach, this study involved three types of subjects: hotels, cafes and restaurants. The key informants were purposively selected. The data were obtained through semi-structured interviews. Five informants were selected based on XYZ's target fresh fruit juice market, two hotels, two cafes and one restaurant. This study recommended that it was important to change people's mindset to buy fruit juice in the packaging. The set price of Rp. 30.000/liter was considered acceptable by hotel, restaurant, and café customers. The researchers used such fixed price to market fresh orange juice products. People preferred 500 ml and one liter for proper size of the packaging. With that size, the products would not be stored for too long, and still had good tastes.*

**Keywords:** *Marketing Strategies, Orange Juice, Marketing Aspects, Marketing Tools*

### **INTRODUCTION**

Food and beverage as one of Indonesia's industrial sectors has been increasingly growing. This sector continues developing in the future due to favorable investment climates in the country, in addition to growing numbers of public consumption. Indonesian people consume 33 liters/capita of soft drink. In other Asean countries, the consumption levels of Thai people and Singaporeans have reached 89 liters and 141 liters per capita respectively. In a social life, people get used to entertaining their guests at home with soft drinks in packs since it is more practical (Pos Kota, 2016).

Packed soft drink industries include tea, soda, coffee and isotonic drinks and fruit juice (Mars, 2016). XYZ Company starts running packed fresh orange juice fruit. For XYZ Company, it is a good business because no other companies use 100% of original orange, without making use of preservatives. XYZ fresh orange juice products are produced to fill the gap in the prevailing markets. XYZ companies claims to have comparative advantages for using 100% original citrus fruits and without any preservatives.

The company needs to develop good marketing strategies to promote better investment plans. Considering good opportunities into consideration, this study aims to examine suitable marketing concepts for packed soft drink industries, especially fresh orange juice XYZ.

The research problem of this present study is formulated as follows: "how is the business to business marketing strategy for fresh orange juice XYZ conducted?" The purpose of this

research is to design the marketing activity concepts and strategies relevant to needs of B2B (business to business) customers, especially hotel, restaurants, cafes customers, through the sales of packed fresh orange juice by XYZ Company.

## **LITERATURE REVIEW**

### **Previous Studies**

The first study, entitled "The Influence of Marketing Mix and Consumer Behavior on Decision-Making Purchase of Fresh Fruit Juice" by Octaviani, *et al.*, (2014) aimed to analyze the characteristics of respondents from fresh fruit juice consumers in Bandar Lampung. The mixed marketing had significant effects on the product, price, place and promotion of customers' decision making to purchase fresh fruit juice in Bandar Lampung. The research was conducted in Zainar Pagar Alam Street, Jalan Purnawirawan, and Pramuka Street in Bandar Lampung. The samples of this study included 105 students who were deliberately chosen when they bought fresh fruit juice from January 2014 until February 2014.

The second study entitled "The Influence of Marketing Mixes on Rolas Buying Decision" was conducted by Primary (2015). It aimed to investigate if mixed marketing consisting of product, price, promotion, and location had simultaneous or partial influences on customers' purchasing decisions of Rolas Tea. The analysis technique used was multiple linear regression, involving as many as 72 respondents.

The third study, entitled "Marketing Strategy Codification of Sport Drinks (Case Study of Padideh Dinavand Food Products Industries Company) was conducted by Saeednia, *et al.*, (2016). This study aimed to investigate if the mission of an organization must be formulated; the environmental influences that become opportunities and threats to the organization must be known; the strengths and weaknesses in the organization become the outcomes that need to be achieved; different strategies for the future should be specified specifically to continue the organization. The purpose of this research was to formulate marketing strategies for Padideh Dinavand Co.

## **SWOT ANALYSIS**

If a company does not know the advantages, shortcomings, opportunities and threats to business, then it will be difficult for that company to develop. Companies need to analyze the strengths, shortcomings, opportunities and threats of companies using SWOT. SWOT is a way to monitor the state of organization both internally and externally (Kotler and Keller, 2012: 70). SWOT is an abbreviation of S (Strengths) is an advantage that the company has from the internal side compared to competitors. W (Weakness) is the company's internal deficiencies compared to competitors. O (Opportunity) is an external state that can be utilized by the company. T (Threat) is an external factor that can affect company performance.

## **STP (SEGMENTING, TARGETING, POSITIONING)**

A company needs STP for the basis of marketing strategy (Kotler and Keller, 2012: 56). Before running marketing activities, STP needs to be done first. Segmenting or commonly referred to as market segmentation is the process of dividing groups of buyer into categories or customer types. The purpose of the market segmentation is to make companies easier to serve a variety of market needs (Hasan, 2013: 331). Targeting means choosing one or more target segments to be served based on the segment's potential profits and corporate strategies (Tjiptono, 2014: 26). Targeting implies that the target market of the company has been scaled down. Positioning is how marketers differentiate their services from competitors in the views of customers (Ratnasari and Aksa, 2016: 27). Companies need to instill the identity of their products or services.

## **MARKETING MIX B2B**

According to Saha (2013), the concept of marketing mix for industrial consumers (B2B) is very different from the marketing mix intended for retail consumer (B2C). The fundamental difference is that every industrial consumer has different needs and must be served specifically (custom). Therefore, here are some marketing mix concepts for B2B.

### **Product**

To get a new B2B customer and maintain a long-term relationship with that customer, the customers always request the samples according to the required description before purchasing the product. Companies that serve B2B customers always change their products in terms of shape, color, quality, etc based on customer's desired specifications (custom). B2B industry customers are usually more rational in deciding which suppliers to take. Because the product will be resold to retail consumers later, B2B customers are very concerned about the quality and consistency of the availability of goods to be taken. According to Saha (2013), the key to successful marketing mix, especially the first "P" aspect (product) is on service (service) to B2B customers.

### **Price**

With regard to the second marketing mix of price aspect, industrial customers or B2B customers are very concerned with how the company offers the price and payment terms later. Number of goods taken, the consistency of repeated purchase, and smooth payment of accounts receivable are factors worth considering by companies targeting the B2B segment. There is neither exact price nor special benchmark given to B2B customers because every customer is expected to have specific service related to product quality, color, packaging, *etc.* Companies should have a pricing method for determining the minimum selling price to offer to customers. The followings are six pricing methods (Kotler and Keller, 2012: 417):

### **Place**

In the B2B business market, it is important that knowledgeable, experienced and effective salesmen carry out a place-related marketing mix function. In addition, getting a loyal distribution channel, from the level of distributors, agents, to resellers is also very important. Salesmen need to persuade the shop owners to put the products in the right place.

### **Promotion**

Promotion is an activity that the company does to attract customers to buy a product. According to Saha (2013), the concept of promotion as the fourth aspect of the marketing mix in the B2B world should be run in two directions: push marketing and pull marketing techniques. Push marketing technique is a promotional technique that encourages the shop owners to put the product arrangement in the strategic areas in their store. This can be done by placing a banner or in-store promotion, etc. Pull marketing technique is a promotional technique that encourages end-users to learn about products, and they finally decide to buy them at the nearest store. For example, this can be done by advertising in mass media such as radio, newspapers, internet, *etc.*

## **COMPETITOR PROFILE MATRIX**

CPM is a matrix used to assess the company's competitors by using several key success factors. Zimmerer in the journal Sohel, *et al.*, (2014) said that "Competitor Profile Matrix (CPM) is a tool which helps the companies to assess their major success factors for that industry." CPM can

be used by certain companies to compare their performance with those of other companies by referring to key success factor as indicators.

Bygrave and Zacharakis in the journal Sohel, *et al.*, (2014), said "CPM not only creates a powerful visual catch-point but also conveys information about your competitive advantage and is the basis for your company's strategy". CPM is useful to see the advantage of competing with other companies, and it can be the basis of making corporate strategy.

The researcher used SWOT, STP, Marketing Mix, and CPM analysis to formulate marketing strategy for fresh orange juice to middle to upper class customer segments or Horeka customers (hotel, restaurant, and cafe). Interviews were conducted to collect data from the respondents who become the target customers of B2B.

## RESEARCH METHODS

Using a qualitative method, this study focused on the company's internal data while referring to marketing theories. The Primary data were collected from the objects of the study through interviews (Mardalis 2014: 28). The research site was in Surabaya because the business plan would be in Surabaya area. Theoretical references, guidance from supervisors, and interviews with informants were conducted from February 26, 2017 to April 26, 2017.

The subjects of the study were purposively selected using non-probability sampling method. Researchers took five key informants from prospective customers of fresh orange juice company "XYZ". These informants were from different sites such as hotels, restaurants and cafes. Three places were also chosen they became the largest customers of business to business for fresh orange juice products. The researcher chose five sources whose purpose was to know the customer's views about fresh orange juice in terms of taste, smell, packaging, color, and price. It can help researchers in making this marketing strategy. The following resources are the objects of the interview.

**Table 1. Respondent**

No	Name	Companies	Position	Date of Interview	Informant Code
1	Hans Charles	<i>Kafe Koniq</i>	Owner	26 April 2017	HC
2	Haryo Nugroho	<i>Kafe Common Grounds</i>	Manager	19 April 2017	HR
3	Ivan Sebastian	<i>Restaurant Guilin</i>	Owner	28 April 2017	IV
4	Romli	Hotel Java Paragon	Supervisor	27 April 2017	RM
5	Hendri Setiawan	Hotel Ibis Budget	Manager	1 Mei 2017	HS

Source : Primary Data

There are four methods for data collection: in-depth interviews, participatory observation, focus group, and documentation (Son, 2012: 46). This present study used documentation and interview. Researchers took documentation as a method of data collection in order to maintain the validity of the data.

Interview methods were conducted towards the informants from 3 different company types: hotels, restaurants, and cafes. After the interview, marketing strategies of fresh orange juice XYZ were developed. If the results obtained were not feasible, then the researcher would make improvements on the planning of marketing activities. Otherwise, the researcher would continue running fresh XYZ fresh food business

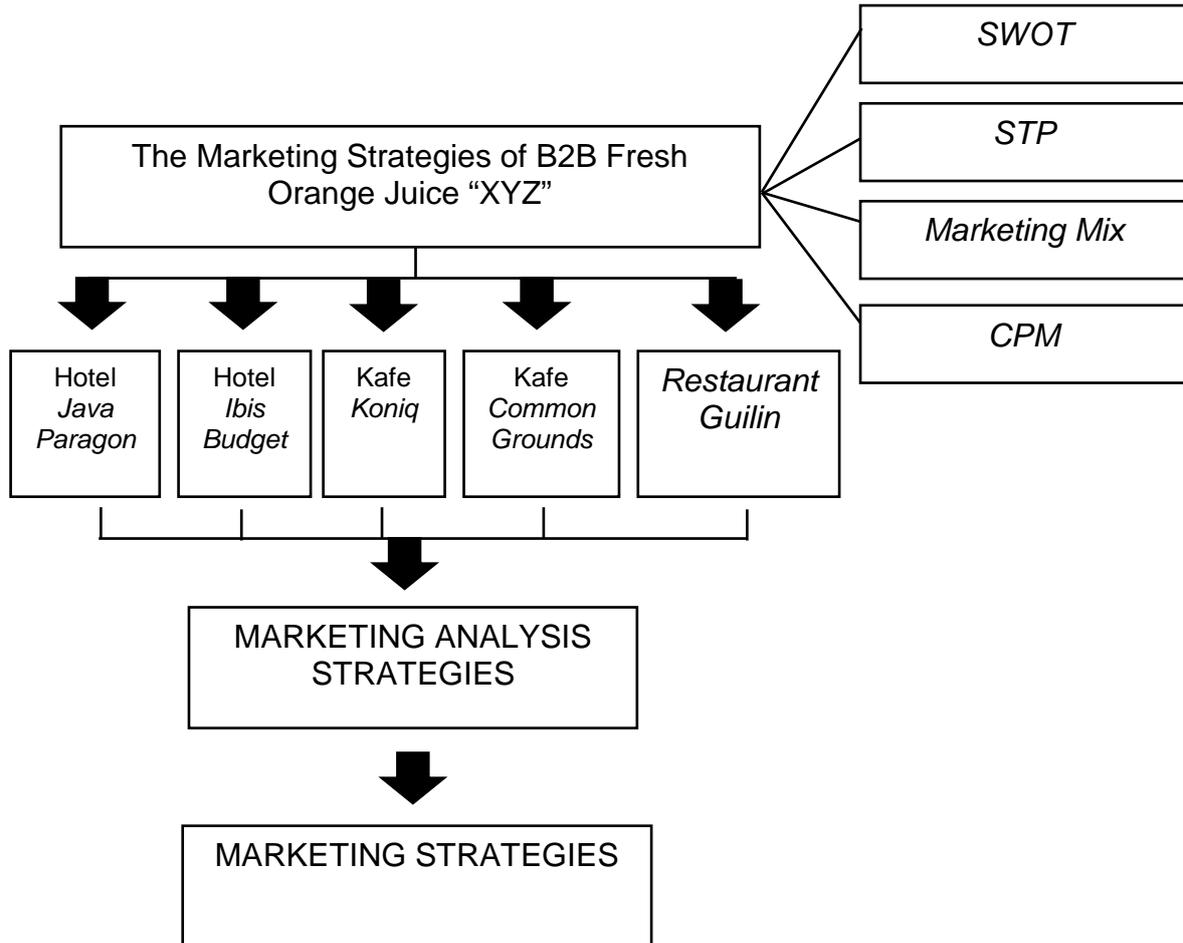


Figure1.1 Analysis Model

**RESULTS AND DISCUSSION**

Setelah melakukan penelitian dan pembahasan terhadap rencana strategi pemasaran yang akan dilakukan oleh perusahaan *fresh orange juice XYZ* terdapat beberapa implikasi manajerial yang dapat diterapkan pada perusahaan. Pada implikasi manajerial, penelitian lebih memperhatikan ke bagian pemasaran, yaitu berdasarkan analisis SWOT, STP, *Marketing Mix* dan CPM, khususnya untuk masuk ke dalam segmen B2B (*business to business*).

There were some managerial implications to apply in the company. In terms of the managerial implications, it is a marketing department that needs to be intensified. Based on SWOT, STP, Marketing Mix and CPM analysis, this department should be improved in order to penetrate into the B2B segments (*business to business*).

**Table 1.2 Magerial Implications**

No	Variable	Before Research	After Research
1.	SWOT	Not knowing detail about strength, weakness, opportunity, threat	<ul style="list-style-type: none"> <li>The researchers can make use of the strength of the company's products: using 100% unrefined orange juice and other additives and affordable product prices. Using 100% oranges need to be highlighted in marketing activities.</li> <li>The researchers find solutions to counteract</li> </ul>

			<p>company weaknesses. For example, products could be quickly damaged because they had no preservatives. There has been no brand that had inconstant sense because it uses the original citrus fruit.</p> <ul style="list-style-type: none"> <li>• The prevailing opportunities could be exploited by researchers to market the product: healthy lifestyle trend in the future.</li> <li>• The researchers had to be careful about existing threats and also sought solutions to avoid threats: extending the horizon of customers' mindset (hotels, restaurants, cafes) that packaged fruit juices had to be equipped with preservatives and concentrates. Moreover, there were a lot of famous competitors.</li> </ul>
2.	STP	The target, segment and positioning were still not optimal	<ul style="list-style-type: none"> <li>• To get additional target markets such as people who liked to go to the gym</li> <li>• To have proper product positioning: cheap fresh orange juice products whose price was Rp30,000 per liter.</li> <li>• The usual target markets for orange juice were parents, young executives and families in the hotel (hotels, restaurants, cafes)</li> </ul>
3.	<i>Marketing Mix</i>	The prevailing strategies were not optimal	<ul style="list-style-type: none"> <li>• The preferred size of the products was from 500ml to one liter.</li> <li>• Rp30,000/liter was accepted by hotel, restaurant, and café customers.</li> <li>• Hotel, restaurant, and café were the most appropriate place for marketing.</li> <li>• Determining appropriate marketing strategies of the analysis.</li> </ul>
4.	CPM	Ignoring the existing competitors because the existing products were different from those in the market.	<ul style="list-style-type: none"> <li>• Find out the main competitors known by hotels, restaurants, and cafe customers through the country choice.</li> <li>• Monitor marketing activities in order to find out what customers like so that they give their trust.</li> </ul>

Source: Primary Data

## II.

The managerial implications are worth considering. The companies need to put these insights into their consideration so that their business can be properly run. STP's strategy need to focus on the upper middle segments, horeka customers, and positioning as fresh products with affordable price adjusted to the strength and opportunities. The informants mention that fresh orange juice products are very attractive to them who like to come to the hotels, restaurants and cafes. As a results these products are very promising and business is worth developing.

## CONCLUSION

This study found fresh products juice XYZ is suitable for the upper middle segments such as hotels, restaurants and café customers, in addition to retailers and supermarkets. With regard to positioning, people need to be convinced that fresh orange juice product is without concentrates,

preservative, and any other additives. These packed products can be consumed as healthy beverage.

With regard to marketing mix, the price set of Rp30,000/liter is still considered affordable by horeka consumers (hotel, restaurant, and cafe). They become the main marketing targets for the products. The findings of the study serve a reference for the writers to plan marketing strategies in the future, focusing more on production of one liter than the other size. In the same way, ATL and BTL have to do the same in order to attract the interest and from their customers.

The marketing mix (product, price, place, promotion) set for fresh orange juice has been tailored for the horeka consumer as the main target of market segmentation. The selling price of Rp30,000/liter is still very affordable for the upper middle class who often come as visitors in hotels, restaurants, and cafes. They prefer products that care about health rather than cheap products but with poor quality.

To realize the results of this study into a real business, the following is an action plan timeline that will be done in the early stages of business planning. In the first year, the writers will conduct business feasibility studies in depth, focusing on financial and non-financial aspects. In the second year, the author will prepare the capital to be used as assets in the form of land and infrastructure. In the third year, operations and production will run as planned.

Five steps B2B marketing strategy include the following steps: 1) recruiting direct selling sales force to target to the consumer horeka; 2) conducting various promotional cooperation with media and other institutions such as airlines, fitness centers, etc. that have a high demand for fresh orange juice products; 3) paying attention to the consistency of taste quality and; 4) maintaining product availability in order to build consumer confidence. In so doing, new companies will get trust from their customers and 5) pursuing competitive advantages. Cost-leadership strategy becomes the focus in early years of marketing so that they can compete with competitors.

This study has some limitations such as limited number of informants. They are not all from middle-class hotels, restaurants and cafes. The demands for fresh orange juice in horeka are very little. The informants also come from fitness centers and airlines that may have a greater demand for fresh orange juice products. In addition, due to the fact that XYZ Company has not been operating, or it is still in the planning stage. It is important to do the analysis of strength, weakness, opportunity, and threat by referring to secondary data considerations.

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